



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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DONALD L. WOLFE, Director

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

March 20, 2007

IN REPLY PLEASE
REFER TO FILE: PD-5

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**PROPANE EDUCATION AND RESEARCH COUNCIL
CLEAN CITIES GRANT PARTNERSHIP PROGRAM
ACCEPT GRANT FUNDING
SUPERVISORIAL DISTRICT 1
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that this project is exempt from the provisions of the California Environmental Quality Act (CEQA).
2. Accept \$35,000 of grant funding from the Propane Education and Research Council to partially fund the retrofit of one propane-powered transit bus with a device to reduce nitrous oxide emissions by at least 80 percent.
3. Authorize the Director of Public Works, or his designee, to conduct business with the Propane Education and Research Council on any and all matters related to this grant, including negotiating and executing a grant Agreement substantially similar to the enclosed draft Agreement and signing any amendments and requests for reimbursement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to accept grant funding from the Propane Education and Research Council to partially fund the cost to retrofit one propane-powered transit bus with a Selective Catalyst Reduction device that will reduce its nitrous oxide emissions by at least 80 percent. Nitrous oxide is a greenhouse gas and a precursor to smog. Recent studies have linked high concentrations of nitrous oxides to allergies and other respiratory illnesses. Part of the State of California's Air Resources Board's retrofit verification process requires that a technology demonstrate its effectiveness and its durability. Once verified by the California Air Resources Board, this retrofit technology can be applied to more than 240 buses throughout Los Angeles County, 11 of which are in Public Works' transit fleet.

Implementation of Strategic Plan Goals

This action is consistent with the County Strategic Plan Goal of Fiscal Responsibility by strengthening the County's fiscal capacity by actively seeking external funding sources.

FISCAL IMPACT/FINANCING

There will be no impact to the County's General Fund. The total project cost is estimated to be approximately \$82,000. Public Works is partnering with the device manufacturer who is contributing \$42,000 toward this project. Public Works will receive \$35,000 from the Propane Education and Research Council to partially reimburse the cost to retrofit one of our transit buses. Public Works will fund the remaining \$5,000 from the First Supervisorial District's Proposition A Local Return Transit Program available in the Fiscal Year 2006-07 Transit Enterprise Fund Budget.

The Propane Education and Research Council funds will be distributed on a reimbursement basis upon the completion of this retrofit and submission of all required reports and invoices.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS

The enclosed draft grant Agreement has been reviewed and approved as to form by County Counsel. The final Agreement will be approved by County Counsel prior to its execution by the Director of Public Works or his designee.

ENVIRONMENTAL DOCUMENTATION

CEQA requires public agency decision makers to document and consider the environmental implications of their actions. The proposed project is categorically exempt pursuant to Class 3(b) and (d) of the Environmental Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15303(d) and (e) of the CEQA guidelines.

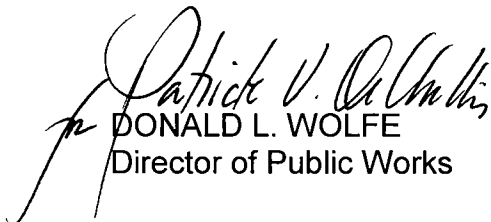
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The retrofit of this bus will demonstrate the effectiveness and durability of this Selective Catalyst Reduction technology in reducing nitrous oxide emissions from these vehicles. Once verified by the California Air Resources Board, this technology may be applied to buses operating throughout the State reducing air pollutants and improving air quality.

CONCLUSION

Upon approval, please return three adopted copies of this letter to Public Works.

Respectfully submitted,



DONALD L. WOLFE
Director of Public Works

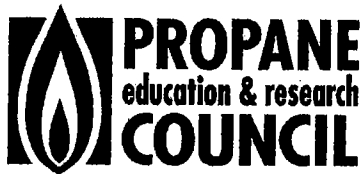
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Enc.

cc: Chief Administrative Office
County Counsel



GRANT AGREEMENT

DOCKET NUMBER **11655-6**

This AGREEMENT is made this _____ day of October 2006 by and between the **Propane Education & Research Council, Inc.** whose address is 1140 Connecticut Avenue, NW, Suite 1075 Washington, D.C., ("Council") and the **County of Los Angeles Department of Public Works** whose address is 900 South Fremont Avenue, 12th Floor, Alhambra, CA, ("Grantee") and shall govern the performance, services and other activities required under this Agreement. The Council and the Grantee are hereinafter referred to collectively as the "Parties" and individually as the "Party."

SHORT TITLE

The short title of the project hereby undertaken is "**Datalogging of 5.9L B-Plus Engine**" and the total funding to be provided by the Council for this project shall not exceed \$35,000, unless otherwise specified herein or amended pursuant to the terms of this Agreement.

RECITALS

A. Pursuant to the Propane Education and Research Act of 1996 ("PERA"), Public Law 104-284 (15 U.S.C. 6401, *et seq.*), the Council is required to develop programs and complete projects for the purpose of enhancing consumer and employee safety and training on the use of propane; ensuring the performance of productive research focused on the development of clean and efficient propane utilization equipment; and informing and educating the public about safety and other issues associated with the use of propane.

and projects and PERA's statutory mandate, the Council desires to provide funding to the Grantee, and the Grantee desires to accept such funds from the Council, all in accordance with the terms and conditions contained in this Agreement.

C. The Council has entered into Grant Agreement No. 2006-01-B0315 (the "Cooperative Agreement") with the State of Maryland, Maryland Energy Administration, for the project entitled **National Propane Grant Program**.

B. In furtherance of the development of such programs

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth in this Agreement, the sufficiency of which is hereby acknowledged, the Council and the Grantee hereby agree as follows:

WITNESSETH:

Article 1. Scope of the Work.

- 1.1. The Grantee shall furnish and perform for the Council all of the research and/or other professional services required by the terms and conditions of this Agreement as well as the instructions, specifications, schedules, exhibits and other documents referenced herein or attached hereto, including, but not limited to, the services and work to be performed as set forth in **Schedule I** to this Agreement. All such exhibits, schedules and referenced documents are incorporated herein by reference and made a part of this Agreement. This Agreement, all schedules and exhibits hereto and all referenced documents and requirements are hereinafter referred to collectively as the "Contract" or the "Contract Documents." All services, research and work-product required to be completed under this Contract and the Contract Documents (including work required by change orders) shall be referred to herein as the "Work." The requirements of this Contract shall be broadly construed to effectuate the Council's intent which is to ensure the Council's receipt of services, research and Work that meets applicable industry standards for professional services and work of the same or a similar nature and that comply in all respects with the Contract Documents, the requirements and intent of PERA, and the Council's by-laws, policies, rules and procedures currently in force and as amended. When **Schedule I** to this Contract includes the Grantee's Proposal for performing the required Work, the Grantee shall provide all of the Services and perform all of the Work proposed and shall do so in accordance with and in the manner prescribed by this Contract and the Contract Documents.
- 1.2. The Scope of Work is not intended to limit the Grantee's ability to incorporate unique or beneficial features into its Work. Variation from the Scope of Work will be considered by the Council, if the proposed change is within the Contract budget limitations, meets the objectives for the Contract, and results in an improved Work product. All proposed changes in the Scope of Work must be approved in accordance with Article 15.
- 1.3. This Contract and all other Contract Documents are intended to supplement and complement each other and shall, where possible, be thus interpreted. If, however, any provision of the Contract or Contract Documents irreconcilably conflicts with another provision, the provision imposing the greater duty or obligation on the

Grantee shall govern.

Article 2. General Performance Obligations.

- 2.1. **Work and Capabilities.** In completing the Work required under this Contract and any change orders awarded, the Grantee shall provide all management, supervision, manpower, administrative support, materials, supplies, and equipment, and shall plan, schedule, coordinate and ensure effective and timely performance of all specified services within the fixed or other pricing of the Contract.
- 2.2. **Reviews.** The Council's review, approval, acceptance of, or payment for any of the Work required under this Contract, shall not be construed as a waiver by the Council of any rights under the Contract.
- 2.3. **Professional Quality.** The Grantee is responsible for the professional quality, technical accuracy and coordination of the Work. The Grantee shall, without additional compensation, address questions by the Council or its agents or representatives and correct or revise errors or deficiencies in the Work furnished under this Contract.
- 2.4. **Communications.** While the Grantee may communicate with other representatives of the Council, the Grantee shall proceed with Work based solely on the directions, instructions and/or comments of the Council's Authorized Representative as referenced in **Article 27**. Before proceeding with any directions or instructions issued by a party other than the Council's Authorized Representative, the Grantee shall first obtain the approval and consent of the Council in writing.
- 2.5. **Meetings and Documentation.** Throughout Contract performance, the Council may schedule periodic meetings/conference calls, at mutually agreed upon times, with the Grantee through the Parties' Authorized Representatives for the purposes of discussing Work status, procedures, progress, problems, scheduling, cost issues and other pertinent matters involving the Work. The Grantee shall attend and participate in such meetings/conference calls. The Grantee shall also attend meetings where questions or problems arise concerning the Grantee's Work and as otherwise requested by the Council.
- 2.6. **Project Issues.** The Grantee shall immediately notify the Council in writing of any problems, issues, delays or concerns involving its Work. Grantee shall promptly make recommendations concerning solutions, cost controls, scheduling, and levels of effort, while maintaining the approved Contract completion dates, interim and otherwise.
- 2.7. **Data Collection, Analysis, Recommendations and Deliverables.** It shall be the sole responsibility of the Grantee to obtain the information required to successfully complete its Work in accordance with all Contract requirements. The Grantee's draft and final reports and other submissions that are required to be delivered under the Contract ("Deliverables") are to be prepared based on all information available in the relevant scientific communities as well as on appropriate research, surveys, conferences, and factual information from other data sources. All Deliverables shall be made available to the Council for review and approval in such time so as not to delay completion of the Work. Such Deliverables shall give full consideration and demonstrate responsiveness to all of the views and comments expressed by all reviewing parties.
- 2.8. **Interactions and Proceedings.** The Grantee shall establish all necessary liaisons, coordination, and support with any agencies or representatives at the federal, state, regional, and local levels, and as otherwise required by the Council. The Grantee shall prepare and provide all information and submissions required for approvals by governmental authorities or others having jurisdiction over the Work, except information that the Council agrees in writing to provide. Unless the Council provides otherwise in writing, the Grantee shall be solely responsible for actively participating in all such proceedings associated with obtaining such approvals or otherwise complying with all applicable federal, state and local laws, codes and regulations.

Article 3. Grantee Deliverable Procedures.

If the Council reasonably determines that any material aspect of a Deliverable is inadequate or incomplete, the Grantee shall make any corrections and/or additions and resubmit the Deliverable at no additional cost to the Council.

Article 4. Progress and Other Reporting Requirements.

The Grantee shall submit to the Council, quarterly throughout the Contract performance period and additionally as mutually agreed, a status or progress report ("Progress Report"). In such Progress Report, Grantee shall provide an account of Work performed to date by the Grantee under the Contract. Such Progress Report shall be provided in addition to any other Deliverable that is to be submitted in accordance with the Contract's Work Schedule. Along with the final invoice, and any other Deliverables required to be submitted under the Contract, the Grantee shall submit a final report in writing to the Council setting forth the results achieved under and pursuant to the Contract ("Final Report"). The Final Report on the Contract shall include: A complete summary of the Work, including the research, study or analysis carried out, detailed experimental protocols including the research performed during the course of the Work, and a full explanation and accounting of the use of the Council's funding for the Work. To the extent the Council reasonably

determines that such Deliverables, Progress Reports or Final Report on the Contract are inadequate, the Grantee shall be required to make all appropriate adjustments or corrections in the Deliverables or Reports before the Council shall be required to make final payment to the Grantee. In addition to periodic meetings, Progress Reports, Final Report and other Deliverables, the Grantee shall provide to the Council copies of all data and other information in connection with the Contract or the Work including, without limitation, all raw data obtained as a result of studies or analyses conducted in the course of Contract performance, including all experimental procedures employed or performed in sufficient written detail to permit the Council or its future Grantees to use such procedures in their own research.

Article 5. Contract Price.

In consideration of the performance of the Contract, the Council agrees to pay the Grantee not more than \$35,000.

Article 6. Progress Payments -- [Refer to Schedule IV].

Article 7. Contract Performance Period and Scheduling.

The Work to be performed under this Contract shall begin on **October 10, 2006** and shall be finally completed **December 31, 2006**, plus any applicable extension of time granted by the Council.

Article 8. Acceptance and Final Payment.

If and when the Council, in its reasonable discretion, determines that all Work is fully performed and acceptable and that all terms and conditions of the Contract have been satisfied, the Council shall pay to the Grantee the remaining balance under the Contract.

Article 9. Proceeds from Sale, License or Other Use of the Work -- [Applicable: ☐Yes ☒No].

Article 10. Status and Responsibility of the Grantee and its Personnel.

It is understood and agreed that the Grantee will perform the Work required by this Contract as an independent contractor and that during the performance of this Contract, the Grantee's employees will not be considered employees of the Council within the meaning or the application of any federal, state or local laws or regulations including, but not limited to, laws or regulations covering unemployment insurance, old age benefits, workers' compensation, industrial accident, labor or taxes of any kind. The Grantee's personnel who are to perform the Work to be provided by Grantee hereunder are and shall be deemed under the employment and ultimate control, management and supervision of the Grantee. It is understood and agreed that Grantee's employees shall not be considered the Council's employees within the meaning or application of Customer/employee fringe benefit programs or for purposes of vacations, holidays, pension, group life insurance, accidental death, medical, hospitalization and surgical benefits.

Article 11. Compliance with Law and Grant Agreements.

The Grantee shall perform all Work in strict compliance with all federal, state and local laws, rules, regulations, standards, codes and other governmental requirements, and with Council's Grant Agreement #2006-01-B0315 with the State of Maryland, Maryland Energy Administration, that are applicable to the performance of the Work on the effective date of this Contract and throughout Contract performance.

Article 12. Environmental, Safety And Health Provisions.

Throughout the performance of this Contract, the Grantee agrees to comply with: (a) all applicable safety and health protection procedures, laws and regulations of federal, state and local governmental agencies, including but not limited to, the Occupational Safety and Health Administration and/or its state or local equivalents; and (b) all applicable environmental protection laws, procedures and regulations enforced by federal, state and local governmental agencies including, but not limited to, the U.S. Environmental Protection Agency and/or its state or local equivalents.

Article 13. Employment and Related Laws.

To the extent applicable as a matter of law to the Work and/or the subcontracting of the Work hereunder, the following provisions are incorporated by reference and the Grantee represents that it will comply with them: The Equal Employment Opportunity Act, E.O. 11246 and 41 CFR Secs. 60-1.4 and 60-1.7; the Employment of Veterans Act, 41 CFR Sec. 60-250; and the Employment of Handicapped Act, 41 CFR Sec. 741-4, Drug Free Workplace Act of 1988 (Pub.L. 100-690); Service Contract Act of 1965, as amended, 41 U.S.C. 351, et seq.; Americans with Disabilities Act of 1990, 42 U.S.C. § 12101, et seq., and such other laws or regulations as the federal government may require the Council to flow down to its contractors; and all rules and regulations issued pursuant to the foregoing.

Article 14. Protection of the Public and the Work.

The Grantee shall take all reasonable and necessary precautions for the protection and safety of: the public, the Grantee's employees, representatives and agents, and all other personnel performing the Work. The Grantee shall take reasonable precautions to protect the Work and the Work of the Council's other contractors from loss, damage or destruction arising from any act or omission of the Grantee, any subcontractor, or any other conditions affecting the

Work.

Article 15. Changes in the Work and Claims.

- 15.1. The Council's Authorized Representative may at any time initiate changes in the Work that alter, add to or delete Work required under this Contract ("Change"). If such a Change affects the cost or the time required for completion of the Work, then the Contract Price and Contract Performance Period shall be increased or decreased as appropriate and in accordance with the terms of this Article 15. The Council will initiate the change process by providing a written description of the Change to be made by the Grantee. The Grantee shall submit promptly to the Council a document entitled "Change Order Proposal" itemizing the reasonable and necessary adjustment in the Contract Price and Contract Performance Period to correspond to the Change. If the Council and the Grantee cannot agree on the appropriate adjustment in the Contract Price or Contract Performance Period, the Grantee shall nevertheless proceed with the Work associated with the Change, and the disagreement on the adjustment shall be resolved in accordance with Paragraph 15.3 below and **Article 23** on Disputes.
- 15.2. The Grantee may initiate a Change or assert a claim for damages, loss or increased performance costs arising from or relating to the Contract ("Change Request" or "Claim") only by submitting to the Council a document entitled "Grantee Change/Claim Proposal." The Grantee shall have no right to relief for a Grantee initiated Change Request or a Claim unless the Grantee submits a Grantee Change/Claim Proposal to the Council within fifteen (15) days of the date that the Grantee first learns of the occurrence of the events giving rise to the Change Request or Claim. Unless directed in writing by the Council to proceed, the Grantee shall not proceed with the Work that is the subject of a Change Request or Claim unless the Council and the Grantee have entered into a written change order fully memorializing the agreed-to adjustment in the Contract Price and Contract Performance Period. In the event the Council and the Grantee cannot agree upon: whether work involves a Change to the Contract; whether or not a Claim is valid; or the appropriate adjustment in the Contract Price or Performance Period associated with a Claim or Change Request, then the Grantee shall nevertheless proceed with the Work associated with the Change Request or Claim and the disagreement shall be resolved in accordance with Paragraph 15.3 below and **Article 23** on Disputes.
- 15.3. Any dispute as to the appropriate adjustment in the Contract Performance Period or Contract Price associated with a Change, Change Request or Claim shall be settled in accordance with **Article 23** hereof and the terms of this Paragraph 15.3. Under no circumstances shall the Grantee be entitled to recover any amount more than a reasonable adjustment in the Contract Price based upon costs reasonably and necessarily incurred by the Grantee in connection with a Change, Change Request or Claim. Under no circumstances shall the Grantee be entitled to recover consequential, exemplary or punitive damages from the Council. All Grantee Change/Claim Proposals shall be submitted in writing, and shall include the relief requested, a detailed explanation of the basis for the Claim or Change and complete supporting documentation.
- 15.4. Notwithstanding the foregoing, if the Grantee is delayed, disrupted or interfered with or suffers damage or loss of any kind during the progress of the Work as a result of a *force majeure* event as defined in **Article 26**, or as a result of the action or inaction of the Council or its agents or representatives the Grantee may submit a Change Request or Claim and its sole and exclusive remedy against the Council shall be the award of relief extending the Contract Performance Period for a reasonable time. Under no circumstances shall the Grantee be entitled to recover consequential or punitive damages from the Council.

Article 16. Grantee's Continuing Obligation.

Neither inspection by the Council, nor issuance of any payment to the Grantee, termination of this Contract, nor any provision of this Contract, statement or conduct of the Council shall relieve the Grantee of liability for failing to satisfy its obligation under this Contract or otherwise performing faulty or inadequate services.

Article 17. Council's Right to Terminate Contract for Cause and Convenience.

- 17.1. **Termination For Cause.** The Council may terminate or cancel this Contract in whole or in part for cause, if: (a) Grantee's performance does not conform in all respects to the terms of this Contract; (b) Grantee fails to timely and satisfactorily provide its Deliverables or services to the Council, as time is of the essence under this Contract; or (c) any question arises concerning Grantee's financial condition or solvency. Where a basis for termination exists, the Council will give the Grantee written notice, specifying the cause(s) for such dissatisfaction. If the deficiencies are not corrected to the satisfaction of the Council within seven (7) days of the date contained on the Council's written notice, or such other time period set forth in the Council's notice, the Grantee will be given written notice of the Council's termination of this Contract for cause. Any notice of termination or cancellation shall specify the extent to which performance under the Contract is terminated, and the effective termination or cancellation date.
- 17.2. **Termination for Convenience.** The Council may, at any time, terminate the Grantee's services under the Contract for any reason whatsoever or for its convenience by giving the Grantee not less than fifteen

(15) days' written notice of termination setting forth the effective date of termination.

- 17.3. **Termination Compensation.** In the event the contract is terminated for cause or convenience, the Council shall pay to the Grantee the balance due, if any, on the Contract price for Work actually performed, accepted and approved by the Council prior to the effective date of termination, less payment previously made by the Council on account thereof and less any damages or loss the Council may have incurred as a result of the Grantee's performance or conduct. The Grantee shall not be entitled to recover lost profits on uncompleted Work, nor shall the Grantee be entitled to recover any damages (consequential or otherwise), compensation or indemnity of any kind as a consequence of such termination.

Article 18. Payments Withheld.

The Council may withhold all or part of any payment to the extent necessary to protect the Council from loss or damage on account of: (a) Defective Work not remedied; (b) Claims filed or reasonable evidence indicating probable filing of claims by other parties against the Grantee or the Council; (c) Failure of the Grantee to make payments properly to subcontractors; (d) A reasonable doubt that this Contract can be completed for the balance then unpaid or within the time specified; (e) Damage to the Work, to the Council's property, the work of the Council's other contractors or other contractors, or the failure to protect against such damage; (f) Failure of the Grantee to make satisfactory progress or to meet the established performance schedule; (g) The Grantee's violation of any applicable laws, ordinances, rules, regulations, instructions and/or other Contract performance requirements; and (h) Any other penalty, fine, damage or cost incurred or sustained by the Council or that may be incurred or sustained.

Article 19. Insurance -- [Applicable: ☐Yes ☒No].

Article 20. Warranty and Quality.

The Grantee warrants that all Work, services, products and materials shall: conform to the Scope of Work agreed to by the Grantee and the Council; meet the applicable industry standards for professional quality, merchantability and fitness for their intended purpose; and comply with all applicable laws and regulations. If any Work performed, including Work product, is defective or otherwise not in conformity with the requirements of this Contract, the Council, in addition to its other rights, may reject the same for full reimbursement of funds expended by the Council for the particular defective or non-conforming Work or Work product, or require proper correction, replacement or completion thereof at the Grantee's expense. The Grantee's duty to perform correction and replacement Work shall survive the Council's Review, inspections, tests and acceptance for a period of twelve (12) months from the date the Council issues a Certificate of Final Completion covering the Work.

Article 21. Indemnity by the Grantee.

- 21.1. The Grantee agrees to indemnify, defend and hold harmless the Council, its directors, officers, agents, staff, and employees (all such parties are hereinafter referred to collectively as the "Indemnified Parties") from and against any and all liability, claims, lawsuits, losses, demands, damages, costs, and expenses (including reasonable attorney's fees and court costs), arising directly or indirectly out of the Grantee's performance under the Contract, Grantee's Work, the design, manufacture, sale or use of any embodiment or manifestation of the Work or Contract performance.
- 21.2. The Grantee agrees to provide a diligent defense against any and all liability, claims, lawsuits, losses, demands, damages, costs, and expenses (including attorney's fees and court costs), brought against the Indemnified Parties with respect to the subject of the indemnity, whether such claims or actions are rightfully or wrongfully brought or filed. Any Indemnified Party wishing to be indemnified shall:
- a) promptly after receipt of notice of any and all liability, claims, lawsuits losses, demands, damages, costs, and expenses, or after the commencement of any action, suit, or proceeding giving rise to the right of indemnification, notify the Grantee, in writing, of said liability, claims, lawsuits, losses, demands, damages, costs, and expenses and send to the Grantee a copy of all papers served on the Indemnified Party;
 - b) permit the Grantee to retain qualified counsel of its choosing to represent the Indemnified Party (but in the event that the Grantee does not select counsel to represent the Indemnified Party within ten (10) days, the Indemnified Party may select its own counsel, the fees and all costs of which will be borne by the Grantee); and
 - c) allow the Grantee to retain exclusive control of any such liability, claims, lawsuits, losses, demands, damages, costs, and expenses, including the right to make any settlement, except that the Grantee will not have the right to make any settlement or take any other action which would be deemed to confess wrongdoing by any of the Indemnified Parties or could reasonably be expected to have a negative effect on the reputation of one of the Indemnified Parties, without the prior written consent of the Council and the Indemnified Party involved.

Article 22. Subcontractors and Suppliers/Flow Down Obligation.

The Grantee agrees to be responsible for any failure by its subcontractors or consultants to comply with the terms and conditions of this Contract. Nothing herein shall be deemed to create a contractual relationship between any such subcontractor and the Council or provide a basis for any claim by a subcontractor against the Council. All of the Grantee's subcontractors and consultants shall be apprised of the terms and conditions of this Contract and shall be held liable, accountable for and subject to these terms and conditions in their own subcontract work and contracts to the same extent and degree that the Grantee is or would be liable, accountable for and subject to these terms and conditions in its Contract Work. It shall be the Grantee's duty to ensure that its subcontractors and consultants accept and comply with the terms and conditions of this Contract.

Article 23. Disputes.

Claims, disputes or other matters in question between the Parties to this Contract that cannot be resolved by good faith negotiations shall be subject to mediation, and if necessary, arbitration. A demand for mediation shall be made within thirty (30) days after one Party has notified the other Party in writing of its belief that a dispute cannot be resolved by negotiation. After the expiration of the thirty- (30) day period, the Parties may nevertheless agree in writing to submit the dispute to mediation. Any mediation shall be held in accordance with the Mediation Rules of the American Arbitration Association in effect when the dispute arises, unless the Parties mutually agree otherwise in writing. The mediation shall take place at a mutually convenient location in Washington, D.C. Demand for mediation shall be filed in writing with the other Party to this Contract and with the American Arbitration Association. Any dispute or difference arising out of or in connection with this Contract which cannot be amicably settled by mediation within sixty (60) days after a demand for mediation is issued, shall be finally settled by arbitration under the Rules of Commercial Arbitration of the American Arbitration Association. The arbitration shall take place at a mutually convenient location in Washington, D.C. The resulting decision of the arbitrators shall be final and binding on the Parties. Judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction thereof. In no event shall the demand for mediation or arbitration be made after the date when institution of legal or equitable proceedings based upon such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

Article 24. Non-Disclosure Agreement and Publications.

- 24.1. The Grantee and all individuals conducting the Work, whether paid under this Agreement or otherwise, may not engage in similar Work performed independently under other grants, contracts, or agreements with parties other than the Council without the prior written consent of the Council which shall not be unreasonably withheld. The Grantee agrees to use its best efforts to prevent disclosure of information arising from or relating to this Contract which is designated in writing as being "CONFIDENTIAL."
- 24.2. The Grantee further agrees that, except as provided below and in paragraph 24.3, it will not use or disclose, any of the results of the Work. However, such information may be disclosed insofar as such disclosure is necessary to allow either the Grantee or the Council, as the case may be, (i) to defend itself against litigation, (ii) to file and prosecute patent, copyright or trademark applications on any invention or other intellectual property conceived or reduced to practice under the Contract, or (iii) to comply with any judicial decree or government action. Notwithstanding the above, such obligation of confidentiality shall not apply to information that at the time of disclosure: (a) is in the public domain; (b) has come into the public domain through no fault of the Grantee; (c) was known to the receiving party prior to its disclosure by the disclosing party; (d) is disclosed by a third party not under an obligation of nondisclosure; (e) is required by law or legal process to be disclosed; or (f) written permission for disclosure has been granted to the disclosing party by the Grantee or the Council, as the case may be.
- 24.3. The Grantee shall have the right to publish in scientific or other journals, or to present at professional conferences or other meetings, the results of the Work conducted under this Contract following the submission of the Final Report, provided however, that such publication or presentation clearly recognizes and acknowledges the Council as the sponsor of the Work and provided that the publication or presentation is not used as a marketing or promotional piece by or for the benefit of the Grantee. Throughout Contract performance, the Council shall have an option and right of first refusal to retain in their entirety or share in the intellectual property rights corresponding to all Work performed, including all publications and other Deliverables. In order to provide the Council the opportunity to properly protect intellectual property and proprietary rights relating to the Work, a copy of each proposed publication shall be provided to the Council within a reasonable time in advance of submission for publication to permit the Council time in which to prepare application(s) which cover the subject matter of such publication. Any final proposed publication provided to the Council shall be considered as acceptable for submission for publication unless the Council notifies the Grantee within thirty (30) days of receipt of the proposed publication that it requires additional time to secure intellectual property rights on such publication, in which case the Council shall have an additional sixty (60) days to undertake such action before publication. The Council shall also receive final drafts of any proposed publication, and the Council shall be named in the publication as the sponsor of the Project. In the case of publication or presentation, the Council will provide the Grantee with the means or method to identify the

Council as the sponsor of such research.

24.4. Regardless of whether the Council retains the ownership rights in the Work, the Council shall have an irrevocable license to use the Work or work product produced under this Contract in connection with the work of other Council Grantees and in the Council's activities, including but not limited to the right to use and disseminate the Work or work product on the Council's Internet web page.

24.5. In any such publication and any related promotional material, the Grantee (unless otherwise instructed by the Council) shall include the following disclaimer in any publication: "The material and other information included in this publication/presentation is intended to provide general guidance only on the subject matter addressed by the publication/presentation. It is not intended to be a substitute for the personal instruction, guidance and advice of a professional with training and experience in the safe and proper use of propane."

Article 25. Ownership of the Work.

Where the Council has exercised its right of first refusal and the option to retain intellectual property rights in the Work (or any part thereof), the Council shall have the sole and exclusive right, title and interest in and to the Work (or part thereof) and any invention or development of a product, device, process, or method, whether protectable by patent, trademark, copyright or otherwise that may arise from performance under the Contract. To the extent requested by the Council, the Council shall own all intellectual property rights, including patents, copyrights and trademarks, related to the Work. Grantee acknowledges that the Work performed under the Contract is a "work for hire" and agrees to take all action necessary to ensure that the Council has all right, title and interest in and to all of the intellectual property rights related to the Work and any results or inventions arising out of the Work, including assigning to the Council all rights it may hold. Grantee acknowledges that the results of the Work and Contract performance and any inventions, products or services arising from the Contract will be made available to all members of the propane gas industry on equal terms and in no event may such results or inventions be restricted to any group of industry members or may pricing of the product discriminate among distinct groups of industry members. To the extent the Council seeks to retain intellectual property rights, the Council shall be responsible for the preparation, filing, and prosecution of all patent, trademark and copyright applications covering any invention, product or service arising out of the Work, as well as all costs and fees associated therewith. The Grantee and its employees shall assist the Council in the preparation, filing and prosecution of such applications. The Council shall own all right, title, and interest in any regulatory approvals, which are obtained by or on behalf of the Council. The Grantee and its employee shall assist the Council with respect to any filings, which may be required by appropriate health or regulatory authorities.

Article 26. Force Majeure.

"*Force majeure*" shall be any cause beyond the control of the Council and the Grantee which they could not have reasonably foreseen and guarded against. *Force majeure* includes, but is not limited to, acts of God, labor disputes, financial crises, supplier delays in the issuance of the Council furnished equipment, fires, riots, civil commotions or civil unrest, incendiarism, interference by civil or governmental authorities, and acts of war.

Article 27. Notice and Authorized Representative.

Written notice shall be deemed to have been duly served when received by hand delivery or when sent and received by certified or registered mail, in each case to: (1) the "Company General Counsel/Senior Executive Officer" at the address set forth on the first page of this Contract; and (2) to the following Authorized Representatives for the Council and the Grantee. Each party shall advise the other in writing of any applicable address change.

The Council's Authorized Representative:

Name: Roy W. Willis
Address: 1140 Connecticut Avenue, NW
Suite 1075
Washington, DC 20036
Phone: (202) 452-8975
Fax: (202) 452-9054

Grantee's Authorized Representative:

Name: Rick Teebay
Address: 900 Fremont Avenue
11th Floor
Alhambra, CA 90803-1331
Phone: (626) 458-3954
Fax: (626) 979-5359

Article 28. Governing Law.

This Contract, including all performance requirements and disputes hereunder, shall be governed by and construed in accordance with the laws of the District of Columbia.

Article 29. Entirety Clause/Severability.

The terms and conditions of this Contract constitute the sole, exclusive and entire agreement between the Council and the Grantee. Any modifications must be set forth in writing and signed by the Council's and the Grantee's duly Authorized Representative. If any provision herein is held to be invalid by any competent court or arbitration tribunal, the remaining provisions of this Contract shall survive and remain in full force and effect.

Article 30. Waiver.

No waiver shall be deemed made by either Party unless expressed in writing and signed by the waiving Party. The failure of either Party to insist, in any one or more instances, upon strict performance of any of the terms or provisions of this Agreement, or to exercise any option or election herein contained, shall not be construed as a waiver or relinquishment for the future of such terms, provisions, option or election, but the same shall continue and remain in full force and effect, and no waiver by any Party of any one or more of its rights or remedies under this Agreement shall be deemed to be a waiver of any prior or subsequent rights or remedy hereunder or at law. All remedies afforded in this Agreement shall be taken and construed as cumulative; that is, in addition to every other remedy available at law or in equity.

Article 31. Miscellaneous Provisions.

- 31.1. **Access to Records.** In connection with the Work performed, Payment Requests, Grantee Claims, Change Requests, Changes, and terminations, the Grantee shall grant the Council access to and permit copies to be made of Grantee's books and records, including records of reimbursable and other expenses.
- 31.2. **Taxes.** The Contract Price includes and the Grantee shall pay, all sales, consumer, use and other similar taxes required by law, all as part of the Contract Price.
- 31.3. **Authority.** The officers or partners of the Council and the Grantee, respectively, signing this agreement represent and warrant that they have the power and authority to execute the Contract on behalf of the Council or the Grantee, as applicable, and to bind the Council or the Grantee, as applicable, herein.
- 31.4. **Permits and Notices.** The Grantee shall obtain all permits and licenses required as a matter of law or regulation and necessary for the proper completion of all Work under this Contract. The Grantee shall provide all notices required by law, which bear on the performance of the Work.
- 31.5. **Inspection and Testing of Work.** Upon written request, the Council and its representatives shall at all reasonable times during normal business hours have access to and the right to inspect the Work.
- 31.6. **Assignment.** The Grantee shall not assign or sublet this Contract in whole or in part, nor shall the Grantee assign any monies due or to become due hereunder, without the prior written consent of the Council. Upon thirty- (30) days notice to Grantee, the Council may assign this Agreement to another individual or entity.
- 31.7. **Use of Institution Name/Public Statements.** The Grantee agrees to make no public presentations about the Work outside of appropriate scientific meetings, to issue no news releases about the Work, and the Grantee shall not make use of the Council's name in any form of public information without the written permission of the Council.
- 31.8. **Relationship.** Nothing herein contained shall be construed to imply a joint venture, partnership or principal-agent relationship between the Council and the Grantee, and neither Party shall have the right, power or authority to obligate or bind the other in any manner whatsoever, except as otherwise agreed to in writing.

IN WITNESS WHEREOF, the parties by their duly Authorized Representatives have executed this Contract and entered into this Contract on the dates set forth below. The date provided below by the final signatory to this Contract shall be the effective date of this Contract.

**Propane Education & Research Council, Inc.
(Council)**

**County of Los Angeles Department of Public
Works
(Grantee)**

By: _____
(signature)

Name Roy W. Willis
Title President and CEO
Address 1140 Connecticut Avenue, NW
Suite 1075
City, State, Zip Washington, DC 20036

Date _____

By: _____
(signature)

Name Donald Wolfe
Title Director of Public Works
Address 900 South Fremont Avenue
12th Floor
City, State, Zip Alhambra, CA 90803-1331

Date _____

Schedules

Schedule I -- Scope of Work

The scope of work shall be as detailed in the Grantee's project titled "**SCR Project**", and consistent with Council's Grant Agreement #2006-01-B0315 with the State of Maryland, Maryland Energy Administration, which are attached to and incorporated as part of the Contract.

Schedule II -- Project Distribution List

The original of all Reports and all Deliverables shall be provided to the Council's Managing Director of Engine Fuel Programs.

Schedule III -- Reimbursement Schedule

Not applicable.

Schedule IV -- Progress Payment Schedule

Total payments to the Grantee by the Council under the contract shall not exceed \$35,000 in aggregate, for the satisfactory completion of the work described in this Contract. The final payment shall be made upon the Council's approval of the Grantee's final invoice and final report.

Payments by the Council to the Grantee shall be made in installments, as follows:

- An initial payment of \$11,666 shall be made within ten (10) business days following the Council's receipt, review and approval of the Grantee's invoice following the date this Contract is signed by the final signatory. Invoice is to be numbered "**Invoice one of three**".
- A mid-project payment of \$11,666 shall be made following the Council's receipt, review and approval of Grantee's quarterly progress report (for the period ending November 15, 2006) and Council's receipt, review and approval of the Grantee's invoice. Invoice to be marked "**Invoice two of three**".
- The final payment of \$11,668 shall be made within 30 days upon the Council's receipt, review and approval of Grantee's final report and Council's receipt, review and approval of the Grantee's final invoice. Invoice to be marked "**Final: Invoice three of three**". The final report will comprehensively document the successes or deficiencies of the project and will also outline recommended next steps.

PROJECT OVERVIEW:

Background:

The County of Los Angeles is more than 4,000-square miles in area and is located within both the South Coast Air Quality Management District (South Coast AQMD) and the Antelope Valley Air Quality Management District. The South Coast AQMD covers four Counties. Most of Los Angeles County is within the South Coast AQMD. The EPA has consistently identified the South Coast AQMD as one of the areas with the worst air quality in the nation. Forty-two percent, or 14 million of California's 33 million residents, live within the South Coast AQMD. This heavily populated area has both benefited and suffered from its role as a center of trade. One third of all the goods shipped into the United States come through the twin ports of Los Angeles and Long Beach. According to South Coast AQMD studies, more than 70 percent of the Particulate Matter (PM-10) emissions are from diesel engines. More than 40 percent of the PM-10 emissions, and more than 50 percent of the Nitrous Oxides (NOx) emissions are produced by diesel-powered trucks and off-road equipment. Ships and locomotives are responsible for the remaining emissions from diesel sources. High concentrations of particulate matter emissions have been linked to dramatic increases in respiratory illnesses and diseases, such as asthma, and cancer (see Carl Moyer Environmental Justice Map, page 5).

To reduce toxic PM-10 and NOx emissions from diesel-powered engines, the South Coast Air Quality Management District implemented its Fleet Rule 1186.1, requiring local agencies to purchase alternatively fueled street sweepers. The District also adopted Rule 1192, which requires local transit fleets to purchase alternatively fueled buses. The California State Air Resources Board (CARB) will be incorporating these Rules into new Fleet Rules covering public agencies and utility fleets. The State's new Fleet Rule is scheduled for adoption in late 2005.

There is a need for a low emission propane-powered engine for larger medium-duty trucks and medium-duty transit buses. Until this month, the only engine available for these vehicles was the propane version of the Cummins 5.9L B-Plus. This engine is marginal, rated for 195 HP and only 420 ft. lbs. of torque. Its emissions, which are high for an alternatively-fueled engine, are certified at 2.1 grams of Nitrous Oxides (NOx) per brake horsepower hour. Though well above the Federal 2007 standard of 1.3 grams of NOx, Cummins has indicated that the engine will continue to be available through the 2009 model year. Its emissions will be averaged, as allowed under EPA guidelines.

Proposal:

The County of Los Angeles Department of Public Works (Public Works) is proposing Propane projects for both Transit and On-Road applications. Public Works, in partnership with Cummins Westport, Fleetguard, Cummins Westport's in-house parts supplier, and the City of Los Angeles Department of Transportation (LADOT), has been seeking an emissions reduction solution for the propane version of the Cummins 5.9L B Plus engine. Public Works is taking the lead in advancing the emission reduction technology, and if funded, will install a Selective Catalytic Reduction with urea systems (SCR) to insure that propane-powered vehicles continue to be a viable part of the region's energy diversity. Public Works will share the knowledge gained with the LADOT. With the LADOT, Public Works will seek additional funding to reduce mobile emissions.

Public Works has also purchased 11 propane-powered buses and 20 propane-powered street sweepers with the Cummins 5.9L B Plus engine. But, because of this engine's relatively high NOx emissions, these vehicles will not qualify for grant funding.

If funded, Public Works, Cummins Westport, and Fleetguard will install a SCR system on two new buses and at least five new street sweepers. With the proposed SCR system, these engines' NOx emissions will be reduced by 50% to 70%. Public Works has ordered two propane-powered 30 foot El Dorado EZ Rider II buses. Public Works has also ordered five propane-powered Elgin street sweepers. If equipped with the SCR system, these engines' NOx emissions will be between 0.63 and 1.05 grams per brake horsepower. The SCR equipped engines will provide dramatic emission reductions and ensure that propane-powered vehicles remain viable in the Los Angeles region.

Public Works has been awarded two grants from South Coast AQMD for a total of \$140,000 to partially offset the increased cost of two propane-powered buses and five propane-powered sweepers. If these vehicles are not equipped with the SCR System, the NOx emissions will not be low enough to meet the requirements of the grant agreements and Public Works would forfeit the \$140,000 in grant funds from South Coast AQMD. Therefore, it is critical that Public Works receive funding for the SCR system.

PROBABILITY OF SUCCESS:

The SCR System has an extremely high probability of success. Representatives of Cummins Westport, Fleetguard, Public Works, and the LADOT have actively met to develop and demonstrate a solution to reduce NOx emissions from the Cummins 5.9L B Plus engine. Cummins Westport and Fleetguard have proposed the immediate SCR installations on both Public Works and the LADOT vehicles. The SCR system has been designed. Installation can be scheduled for

later this year. While neither the EPA nor CARB have certified the SCR system yet, these installations would become part of Cummins' EPA and CARB certification process. This is an excellent opportunity to dramatically lower NOx emissions from these propane-powered engines to a level well below the 2007 standard of 1.3 grams of NOx per brake horsepower hour.

ENERGY SECURITY BENEFITS:

The use of diverse energy sources in this region, including propane, fulfills a critical need for smaller agencies or agencies with vast service areas, such as Public Works and the State of California Department of Transportation. Public Works operates a fleet of more than forty street sweepers at eighteen yards across the County's 4,000+ square mile area. Within the coming twenty months, half of Public Works' sweeper fleet will be propane-powered. Public Works' annual propane consumption for the buses and sweepers will be approximately 220,000 gallon equivalent of propane.

Transit Buses:

Each of Public Works' buses travels about 24,000 miles per year. Each bus averages 1.8 to 2.0-gallon equivalent per mile. All together, these buses use approximately 120,000-gallon equivalent of propane per year.

Street Sweepers:

Each of Public Works' propane-powered sweepers is used about 1,200 hours per year. Each sweeper uses about 5,400 gallons of propane per year. Public Works' sweepers will use a total of approximately 108,000-gallon equivalent of propane per year.

Each of Public Works' street sweepers will displace 2,400 to 3,000 gallons of diesel fuel:

**2,700 gallons of diesel per year per sweeper (average)
x 20 street sweepers**

54,000 gallons of diesel per year displaced

Major Impact to the Region:

As Public Works adds and/or replaces its buses and street sweepers, the amount of diesel displaced and the potential propane consumed will increase.

The LADOT operates the largest propane-powered bus fleet in the nation. Each day there are more than 120 LADOT buses on the streets of Los Angeles. Each bus travels 24,000 miles per year. Cumulatively, the LADOT's buses use approximately 1,600,000-gallon equivalent of propane per year.

Without the emissions reduction from the Cummins Westport SCR system, there will not be a suitable low emission propane engine for transit use or for the larger medium-duty trucks.

The inability to obtain low emission propane engines for these vehicles will force the LADOT, Public Works, and other agencies, to look at comparable engines that use another alternative fuel.

PROJECT COST SHARE:

Public Works has ordered two propane-powered El Dorado EZ Rider II buses (approximately \$550,000). Public Works has also ordered five propane-powered Elgin sweepers (approximately \$1,250,000). Public Works is seeking grant funding to partially offset the costs for the SCR system for the Cummins B-Plus engine for both its transit buses and sweepers.

Public Works has committed more than \$1.8 million to purchase seven propane-powered buses and street sweepers. The cost of the SCR systems will be approximately \$15,000 to \$20,000 per vehicle. Public Works is working with the South Coast AQMD and Cummins to obtain funding to offset the additional \$90,000 cost of the SCR systems. Cummins Westport will deliver these engines for these vehicles in December 2005. The SCR systems will be delivered within a month of the engines. Construction of the vehicles will begin after the engines have been received. All of these vehicles are to be built, delivered and in service by June 2006.

VISIBILITY OF PROJECT:

This project will have very high visibility. By demonstrating the effectiveness and emissions reduction of the SCR system, Public Works will become the model for public agencies including the LADOT. Public Works will continue working with LADOT, South Coast AQMD, and CARB to identify additional funding to up-fit new propane-powered engines and to retrofit existing propane-powered Cummins B Plus engines. The SCR system has the potential to reduce NOx emissions from these two large fleets by more than 50 percent to 70 percent.

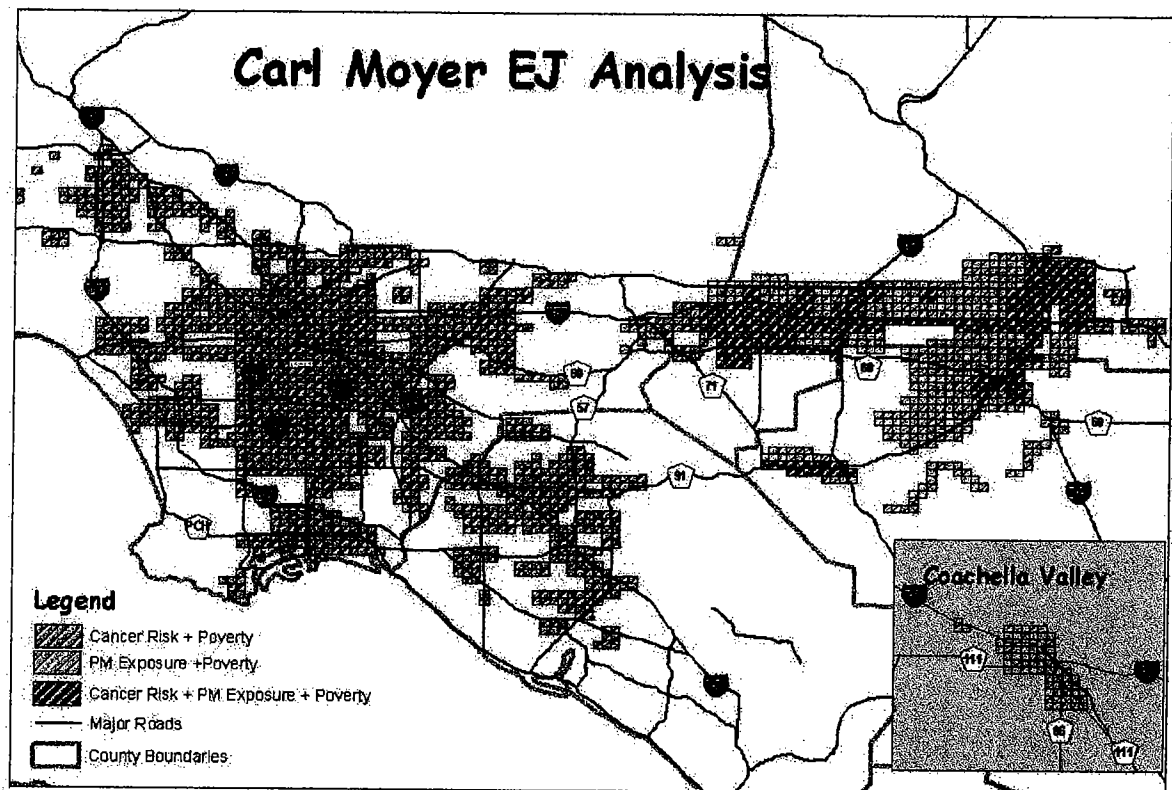
CHANCE OF CONTINUED SUCCESS:

With the continuing support of Cummins Westport, Fleetguard, the South Coast AQMD, and CARB, these projects will continue to succeed, provide dramatic emission reductions and ensure greater energy diversity in the Los Angeles region. Public Works has committed to replacing its diesel-powered urban buses, shuttles, and street sweepers with comparable propane-powered units. If there are no suitable propane-powered engines for these vehicles, and if Public

Works, as well as the LADOT, were to move away from the use of propane as a motor fuel, the diversity of the region's fuel sources would be seriously impacted.

MEMBERSHIP/AFFILIATIONS:

The County of Los Angeles Department of Public Works is submitting its application for membership to the South California Association of Governments Clean Cities Coalition.



BUDGET:

<u>Organization</u>	<u>Item</u>	<u>Amount</u> <u>(cash, in-kind, etc.)</u>	<u>Type</u>
Co. of L.A. DPW	Two 30 Ft. Urban Buses	\$ 550,000	Cash
Co. of L.A. DPW	Five Street Sweepers	\$ 1,250,000	Cash
PERC/Clean Cities	SCR systems	\$ 50,000	Cash
Other Sources	SCR systems	\$ 90,000	Cash

Tasks & Timeline:

1. Develop equipment specifications for Street Sweepers and Buses.
November 2004 – February 2005
Completed
2. Review bids and recommend award. May – June 2005
Completed
3. Award bids, Issue Purchase Orders. May – June 2005
Completed
4. Order SCR System from Cummins-Westport. August - September 2005
If grant funding is approved
5. Pre-build review for Buses. September – October 2005
In-Kind – Public Works
6. Pre-build review for Sweepers. September – October 2005
In-Kind – Public Works
7. Engines arrive - Build Buses. December 2005 – March 2006
In-Kind – Public Works
8. Engines arrive - Build Street Sweepers. December 2005 – March 2006
In-Kind – Public Works
9. Delivery & Installation of SCR Systems on Buses. January 2006 – February 2006
If grant funding is approved
10. Delivery & Installation of SCR Systems on Sweepers. January 2006 – February 2006
If grant funding is approved
11. Pre-Delivery Inspections of Buses and Sweepers. March 2006
In-Kind – Public Works
12. Receive and Inspect Buses and Sweepers. April 2006 – May 2006
In-Kind – Public Works
13. Place Buses and Sweepers in service. June 2006
In-Kind – Public Works

**MARYLAND ENERGY ADMINISTRATION
PROPANE EDUCATION & RESEARCH COUNCIL**

GRANT IMPLEMENTATION AGREEMENT

THIS GRANT AGREEMENT, entered into this 19th day of January, 2006, by and between the

**STATE OF MARYLAND
MARYLAND ENERGY ADMINISTRATION**

1623 Forest Drive, Suite 300
Annapolis, Maryland 21403

hereinafter ("MEA" or "Administration")

and the

PROPANE EDUCATION & RESEARCH COUNCIL

1140 Connecticut Avenue, NW, Suite 1075
Washington, DC 20036

hereinafter ("PERC" or "Grantee")

PREMISES

Among its responsibilities, the Maryland Energy Administration (MEA) promotes the use of alternative fuels which facilitates economic development, reduces reliance on foreign fuel supply, and improves the environment. To this end, MEA provides technical and financial assistance to private, non-profit and government entities for purposes of furthering renewable energy and energy dependence. Among its activities to promote alternative fuels, MEA is a member of the U.S. Department of Energy's Clean Cities Coalition (Clean Cities) of public and private partnerships focused on increasing the use of alternative fuels.

The Propane Education & Research Council (PERC) is a trade organization that promotes the safe, efficient use of odorized propane gas as a preferred energy source through investments in research, safety, and consumer initiatives. PERC was formed by agreement of propane producers and marketers following the passage of the Propane Education Research Act (PERA) in 1996 by Congress.

Propane Education & Research Council
Grant #2006-01-B0315
Page 2

PERC and Clean Cities have developed a program that will provide funds for propane deployment projects, including vehicles, infrastructure, vehicle technology, and fuel system technology. PERC intends to provide \$100,000 to fund this program and will award a series of grants to projects demonstrating propane development for purposes of petroleum displacement and energy independence throughout the United States.

In addition, MEA partnered with PERC to apply for additional funds from DOE and DOE has awarded this partnership \$100,000 by cooperative agreement number DE-fc43-05r330015 entitled "National Propane Grant Funding Opportunity." PERC will administer the award to projects utilizing propane systems technologies for on-road vehicles, including light, medium and heavy-duty vehicle categories.

MEA has agreed to fund a portion of the grant program with DOE funds in order to support advancement in research and demonstration of propane powered vehicles.

NOW, THEREFORE, for and in consideration of these premises and the mutual covenants herein contained, it is agreed by and between the parties hereto as follows:

1. Purpose of Grant

The general objective of this Grant Agreement is that MEA shall contribute funds to the National Propane Grant Program. The intent of the National Propane Grant Program is to fund projects and document ways which will successfully implement propane-powered vehicle programs and increase the number of propane gallons sold, reduce America's dependence on foreign oil and reduce pollution from conventionally-powered vehicles.

2. Amount of the Grant

Upon notification from PERC that the Grant Program is to commence, MEA will provide Eighty Thousand Dollars (\$80,000) of total \$100,000 at the onset of the grant program. The remaining Twenty Thousand Dollars (\$20,000) will be paid at the completion of the grant program. In no event will MEA contribute more than \$100,000 to Grantee under this Grant Agreement. Grantee will provide a cost share of \$100,000. The total \$200,000 will be used to fund winning projects selected by the grant review committee.

3. Implementation of the Grant

The Grantee shall use the grant money to perform the following tasks:

Task I - Receive and Review Applications

Publish a Request for Proposals and collect all applications. Provide copies of the applications to members of the review committee, including representative from DOE and MEA. Notify winning applications of the awards.

Task II - Grant Management

Work with awardees to ensure that the projects are completed as indicated in applications. Awardees will invoice the Grantee regularly and the Grantee will pay invoices accordingly. All projects must be complete by September 30, 2006.

Task III - Reporting

Report on the status of awarded projects and expenditures quarterly (January 15, 2006, April 15, 2006, July 15, 2006, and October 15, 2006). A final report documenting all expenditures and summarizing all completed projects will be due thirty (30) days after the completion of the grant.

4. Incorporation by Reference

This Agreement includes and incorporates by reference Cooperative Agreement (DE-FC43-05R330014) in its entirety as an Attachment. The Attachment consists of the Notice of Financial Assistance and Attachments 1 through 5. By signing this Implementation Agreement, PERC agrees to be bound by the terms and conditions of the Cooperative Agreement and to assist MEA in fulfilling all obligations and responsibilities incurred therein.

5. General Provisions

(a) Any expenditures of Grant funds that is not consistent with the purposes and restriction stated in Paragraphs 1, 2, or 3 may, in the judgment of the Administration, be disallowed. Should any expenditure be disallowed or should the Grantee violate any of the terms of this Agreement, the State may require repayment to the State Treasury, an offset from any State grant to the Grantee in the current or succeeding fiscal year, or other appropriate action. The Grantee shall repay to the State any part of the Grant that is not used for the purposes stated in Paragraphs 1-3 within two (2) years after the date of this Agreement.

Propane Education & Research Council

Grant #2006-01-B0315

Page 4

(b) The Grantee may not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or any other characteristic forbidden as a basis for discrimination by applicable laws, and certifies that its Constitution or by-laws contains a non-discrimination clause consistent with the Governor's Code of Fair Practices.

(c) The person executing this Agreement on behalf of the Grantee certifies, to the best of that person's knowledge and belief, that:

(i) Neither the Grantee, nor any of its officers or directors, nor any employee of the Grantee involved in obtaining contracts with or grants from the state or any subdivision of the State, has engaged in collusion with respect to the Grantee's application for the Grant or this Agreement or has been convicted of bribery, attempted bribery, or conspiracy to bribe under the laws of any state or of the United States;

(ii) Grantee has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for the Grantee, to solicit or secure the Grant or this Agreement, and the Grantee has not paid or agreed to pay any entity any fee or other consideration contingent on the making of the Grant or this Agreement;

(iii) Grantee, if incorporated, is registered or qualified in accordance with the Corporations and Associations of Article of the Annotated Code of Maryland, is in good standing, has filed all required annual reports and filing fees with the Department of Assessments and Taxation and all required tax returns and reports with the Comptroller of the Treasury, the Department of Assessments and Taxation, and the Department of Budget and Management, and has paid or arranged for the payment of all taxes due to the State;

(iv) No money has been paid to or promised to be paid to any legislative agent, attorney, or lobbyist for any services rendered in securing the passage of legislation establishing or appropriating funds for the Grant; and

(v) Neither the Grantee, nor any of its officers or directors, nor any person substantially involved in the contracting or fund-raising activities of the Grantee, is currently suspended or debarred from contracting with the State or any other public entity or subject to debarment under Regulation 21.08.04.04 of the Code of Maryland Regulations.

6. Annual Reporting Requirements

Within sixty (60) calendar days after the close of the any fiscal year in which the Grantee receives funds under this Agreement, the Grantee shall provide to the Administration an itemized statement of expenditures, showing how the funds were expended for that fiscal year. The Grantee shall retain bills of sale or other satisfactory evidence of the acquisition of any real or personal property for at least three (3) years after the date of this Agreement. The Administration, the Department of Budget and Management, the State Comptroller, and the Legislative Auditor, or any of them, may examine and audit this evidence on request, at any reasonable time within the retention period.

7. Maryland Law Prevails

The law of Maryland shall govern the interpretation and enforcement of this Agreement.

8. Agreement Binding on Successors and Assigns

This Agreement shall bind the respective successors and assigns of the parties.

9. Assignment or Transfer

The Grantee may not sell, transfer, or otherwise assign any of its obligations under this Agreement, or its rights, title, or interest in this Agreement, without the prior written consent of the Administration.

10. Amendments to the Grant

No amendment to this Agreement is binding unless it is in writing and signed by both parties.

11. Party Representatives

The following individuals shall have the authority to act under this Agreement for their respective parties:

MEA: Lauren Robbins
Program Manager
(410) 260-7542

Propane Education & Research Council
Grant #2006-01-B0315
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Or any such person as may be designated in writing by the Director.

PERC:

Brian Feehan

Managing Director

(202) 261-2216

Sandra Lio

Projects Coordinator

(202) 452-8975

Or any such person as may be designated in writing by the Executive Director.

IN TESTIMONY WHEREOF, WITNESS the hands and seals of the parties.

PROPANE EDUCATION & RESEARCH COUNCIL

By: 

Roy Willis
President & CEO

Date: 1/17/06


MARYLAND ENERGY ADMINISTRATION

By: 

Frederick G. Davis
Director

Date: 1/19/06

Approved for Form and Legal Sufficiency,
this 19th day of January, 2006.


M. Brent Hare

Assistant Attorney General



U.S. DEPARTMENT OF ENERGY
Office of Energy Efficiency and Renewable Energy
Philadelphia Regional Office
The Wanamaker Building
100 Penn Square East, Suite 890 South
Philadelphia, PA 19107-3396
www.eere.energy.gov/pro

SEP 30 2005

Mr. Michael T. Richard
Director
Maryland Energy Administration
1623 Forest Drive, Suite 300
Annapolis, MD 21403

Dear Mr. Richard:

SUBJECT: NATIONAL BIODIESEL GRANT FUNDING OPPORTUNITY
COOPERATIVE AGREEMENT NUMBER: DE-FC43-05R330015; A000

I am pleased to inform you that an award in the amount of \$100,000 of Department of Energy (DOE) funding has been approved for the Maryland Energy Administration, for the cooperative agreement entitled "National Propane Grant Funding Opportunity".

Enclosed are two copies of the subject cooperative agreement, which have already been executed on behalf of the DOE, Mid-Atlantic Regional Office. Please sign both copies of the cooperative agreement in Block 20 of the Notice of Financial Assistance Award (NFAA), DOE F 4600.1. You should retain one copy for your file and return the remaining copy to James McDermott at the above address within two weeks of your receipt of this letter.

Note the payment provisions in Attachment 1 and the Reporting Requirements in Attachment 4 of your award, which require submission of certain standard and DOE forms as part of the performance of your award. Each of the forms required by this award can be accessed through the Golden Field Office website at http://www.go.doe.gov/funding_post_award.html. These forms may be reproduced for your continued use. Instructions for preparation/completion of the forms are also found on the website. Additional instructions are included in the Attachment to Appendix C of the award.



Questions or comments of a programmatic nature concerning this award should be addressed to the Project Officer, Patricia Passarella, at (215) 656-6966. Matters of an administrative nature should be addressed to the Contracting Officer, James McDermott at (215) 656-6976.

Sincerely,


For Ellen D. Lutz
Regional Director

Enclosures:
As Stated

cc: Mr. Michael Li, Chief of Staff, Maryland Energy Administration


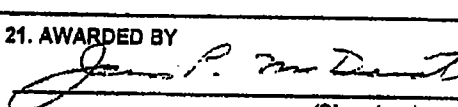
cc: Ms. Lauren Robbins, Clean Cities Coordinator, Maryland Energy Administration

cc: Ms. Leslie Binkley, Chief Financial Officer, Maryland Energy Administration

DOE F 4800.1#
07-05)

U.S. DEPARTMENT OF ENERGY
NOTICE OF FINANCIAL ASSISTANCE AWARD

Under the authority of Public Law Energy Policy Act 1992

PROJECT TITLE Energy Efficiency and Renewable Energy Activities - National Propane Grant Program				2. INSTRUMENT TYPE <input type="checkbox"/> GRANT <input checked="" type="checkbox"/> COOPERATIVE AGREEMENT	
RECIPIENT (Name, address, zip code) State of Maryland Maryland Energy Administration 1623 Forest Drive Suite 300 Annapolis, MD 21403- (401)260-7542				4. INSTRUMENT NO. DE-FC43-05R330014	5. AMENDMENT NO. A000
RECIPIENT PROJECT DIRECTOR (Name, phone and E-mail) Ms. Lauren Robbins (401)260-7542				6. BUDGET PERIOD 09/23/2006 thru 09/30/2006	
RECIPIENT BUSINESS OFFICER (Name, phone and E-mail) Mr. Michael Richard (410)260-7655				7. PROJECT PERIOD 09/23/2006 thru 09/30/2006	
DOE PROJECT OFFICER (Name, address, phone and E-mail) Patricia Passarella (215)656-6966 U.S. DEPARTMENT OF ENERGY 100 PENN SQUARE EAST, SUITE 890 PHILADELPHIA, PA 19107-3396				10. TYPE OF AWARD <input checked="" type="checkbox"/> NEW <input type="checkbox"/> CONTINUATION <input type="checkbox"/> RENEWAL <input type="checkbox"/> REVISION <input type="checkbox"/> INCREMENTAL FUNDING	
DOE AWARD ADMINISTRATOR (Name, address, phone and E-mail) James P. McDermott (215)656-6976 U.S. DEPARTMENT OF ENERGY 100 PENN SQUARE EAST, SUITE 890 PHILADELPHIA, PA 19107-3396				12. DOE AWARD ADMINISTRATOR (Name, address, phone and E-mail) James P. McDermott (215)656-6976 U.S. DEPARTMENT OF ENERGY 100 PENN SQUARE EAST, SUITE 890 PHILADELPHIA, PA 19107-3396	
3. RECIPIENT TYPE <input checked="" type="checkbox"/> STATE GOV'T <input type="checkbox"/> INDIAN TRIBAL GOV'T <input type="checkbox"/> HOSPITAL <input type="checkbox"/> FOR PROFIT ORGANIZATION <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> LOCAL GOV'T <input type="checkbox"/> INSTITUTION OF HIGHER EDUCATION <input type="checkbox"/> OTHER NONPROFIT ORGANIZATION <input type="checkbox"/> C <input type="checkbox"/> P <input type="checkbox"/> SP <input type="checkbox"/> OTHER (Specify)					
14. ACCOUNTING AND APPROPRIATION DATA				15. EMPLOYER I.D.	
Program Value	Fund Value	Reporting Entity Value	Object Class	a. TIN:	526002033
1004680	00250	200802	41000	b. DUNS:	364582168
5. BUDGET AND FUNDING INFORMATION					
a. CURRENT BUDGET PERIOD INFORMATION			b. CUMULATIVE DOE OBLIGATIONS		
(1) DOE Funds Obligated This Action	\$	100,000.00	(1) This Budget Period	\$	100,000.00
(2) DOE Funds Authorized for Carry Over	\$	0.00	[Total of lines a.(1) and a.(3)]		
(3) DOE Funds Previously Obligated in this Budget Period			(2) Prior Budget Periods		
(4) DOE Share of Total Approved Budget	\$	100,000.00	(3) Project Period to Date	\$	100,000.00
(5) Recipient Share of Total Approved Budget	\$	100,000.00	[Total of lines b.(1) and b.(2)]		
(6) Total Approved Budget	\$	200,000.00			
7. TOTAL ESTIMATED COST OF PROJECT, INCLUDING DOE FUNDS TO FFRDC: \$ 200,000.00 (This is the current estimated cost of the project. It is not a promise to award nor an authorization to expend funds in this amount.)					
8. AWARD/AGREEMENT TERMS AND CONDITIONS This award/agreement consists of this form plus the following: a. Special terms and conditions. b. Applicable program regulations (specify): c. DOE Assistance Regulations, 10 CFR Part 800 at http://ecfr.gpoaccess.gov or, if the award is a grant to a Federal Demonstration Partnership (FDP) institution, the FDP Terms & Conditions and the DOE FDP Agency Specific Requirements at http://www.nsf.gov/awards/managing/fed_dem_part.jsp . d. Application/proposal as approved by DOE e. National Policy Assurances to Be Incorporated as Award Terms in effect on date of award at http://grants.or.doe.gov					
9. REMARKS See Attachments 1 through 5 of the award which contain all its terms and conditions.					
10. EVIDENCE OF RECIPIENT ACCEPTANCE  (Signature of Authorized Recipient Official) Michael T. Richard (Name) Director, Maryland Energy Administration (Title)			21. AWARDED BY  (Signature) James P. McDermott (Name) Contracting Officer (Title)		

Attachment 1

SPECIAL TERMS AND CONDITIONS**Table of Contents**

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Special Terms and Conditions

1. RESOLUTION OF CONFLICTING CONDITIONS (OCT 2004)

Any apparent inconsistency between Federal statutes and regulations and the terms and conditions contained in this award must be referred to the DOE Award Administrator identified in Block 12 of the Notice of Financial Assistance Award for guidance.

2. PAYMENT PROCEDURES – ADVANCES THROUGH THE AUTOMATED STANDARD APPLICATION FOR PAYMENTS (ASAP) SYSTEM (OCT 2004)

a. Method of Payment. Payment will be made by advances through the Department of Treasury's ASAP system.

b. Requesting Advances. Requests for advances must be made through the ASAP system. You may submit requests as frequently as required to meet your needs to disburse funds for the Federal share of project costs. If feasible, you should time each request so that you receive payment on the same day that you disburse funds for direct project costs and the proportionate share of any allowable indirect costs. If same-day transfers are not feasible, advance payments must be as close as is administratively feasible to actual disbursements.

c. Adjusting payment requests for available cash. You must disburse any funds that are available from repayments to and interest earned on a revolving fund, program income, rebates, refunds, contract settlements, audit recoveries, credits, discounts, and interest earned on any of those funds before requesting additional cash payments from DOE/NNSA.

d. Payments. All payments are made by electronic funds transfer to the bank account identified on the ASAP Bank Information Form that you filed with the U.S. Department of Treasury.

3. COST SHARING (OCT 2004)

a. Your cost share must come from non-Federal sources. By accepting federal funds under this award, you agree that you are liable for your percentage share of the total allowable Project Costs incurred even if the project is terminated early or is not funded to its completion.

b. Total Estimated Project Cost is the sum of the Government share and Recipient share of the estimated project costs. This cost is shared as follows:

Budget Period No.	Budget Period Start Date	Government Share \$ / %	Recipient Share \$ / %	Total Estimated Cost
1	9/23/2005	\$100,000 / 50%	\$100,000 / 50%	\$200,000
2				
3				
Cumulative Total		\$100,000	\$100,000	\$200,000

- c. If you discover that you may be unable to provide cost sharing of at least the amount identified in paragraph b of this article, you should immediately provide written notification to the DOE Award Administrator identified in Block 12 of the Notice of Financial Assistance Award indicating whether you will continue or phase out the project. If you plan to continue the project, the notification must describe how replacement cost sharing will be secured.
- d. You must maintain records of all project costs that you claim as cost sharing, including in-kind costs, as well as records of costs to be paid by DOE/NNSA. Such records are subject to audit.
- e. Failure to provide the cost sharing required in paragraphs a and b may result in the subsequent recovery by DOE/NNSA of some or all the funds provided under the award.

4. STATEMENT OF FEDERAL STEWARDSHIP (OCT 2004)

DOE/NNSA will exercise normal Federal stewardship in overseeing the project activities performed under this award. Stewardship activities include, but are not limited to, conducting site visits; reviewing performance and financial reports; providing technical assistance and/or temporary intervention in unusual circumstances to correct deficiencies which develop during the project; assuring compliance with terms and conditions; and reviewing technical performance after project completion to insure that the award objectives have been accomplished.

5. SITE VISITS (OCT 2004)

DOE/NNSA's authorized representatives have the right to make site visits at reasonable times to review project accomplishments and management control systems and to provide technical assistance, if required. You must provide and must require your subawardees to provide reasonable facilities and assistance for the safety and convenience of the government representatives in the performance of their duties. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay the work.

6. REPORTING REQUIREMENTS (OCT 2004)

- a. Requirements. The reporting requirements for this award are identified on the Federal Assistance Reporting Checklist, DOE F 4600.2, attached to this award. Failure

to comply with these reporting requirements is considered a material noncompliance with the terms of the award. Noncompliance may result in withholding of future payments, suspension or termination of the current award, and withholding of future awards. A willful failure to perform, a history of failure to perform, or unsatisfactory performance of this and/or other financial assistance awards, may also result in a debarment action to preclude future awards by Federal agencies.

b. Dissemination of scientific/technical reports. Scientific/technical reports submitted under this award will be disseminated on the Internet via the DOE Information Bridge (www.osti.gov/bridge), unless the report contains patentable material, protected data or SBIR/STTR data. In addition, these reports must not contain any limited rights data (proprietary data), classified information, information subject to export control classification, or other information not subject to release. Citations for journal articles produced under the award will appear on the DOE Energy Citations Database (www.osti.gov/ecd).

7. PUBLICATIONS (OCT 2004)

a. You are encouraged to publish or otherwise make publicly available the results of the work conducted under the award.

b. An acknowledgment of Federal support and a disclaimer must appear in the publication of any material, whether copyrighted or not, based on or developed under this project, as follows:

Acknowledgment: "This material is based upon work supported by the Department of Energy [National Nuclear Security Administration] [add name(s) of other agencies, if applicable] under Award Number(s) [enter the award number(s)]."

Disclaimer: "This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof."

8. FEDERAL, STATE, AND MUNICIPAL REQUIREMENTS (OCT 2004)

You must obtain any required permits and comply with applicable federal, state, and municipal laws, codes, and regulations for work performed under this award.

9. LOBBYING RESTRICTIONS (OCT 2004)

By accepting funds under this award, you agree that none of the funds obligated on the award shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. 1913. This restriction is in addition to those prescribed elsewhere in statute and regulation.

10. NOTICE REGARDING THE PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS -- SENSE OF CONGRESS (OCT 2004)

It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this award should be American-made.

11. ANNUAL INDIRECT COST PROPOSAL AND RECONCILIATION (OCT 2004)

- a. In accordance with the applicable cost principles, you must submit an annual indirect cost proposal, reconciled to your financial statements, within six months after the close of each fiscal year, unless you have negotiated a predetermined or fixed indirect rate(s), or fixed amount for indirect or facilities and administration (F&A) costs.
- b. You should submit your annual indirect cost proposal directly to the cognizant agency for negotiating and approving indirect costs. If DOE is the cognizant agency, send your proposal to the Cognizant Department of Energy Office (CDO). If you do not have a cognizant agency or if you do not know your DOE CDO, contact the DOE Award Administrator identified in Block 12 of the Notice of Financial Assistance Award.

12. COMPLIANCE WITH BUY AMERICAN ACT (OCT 2004)

By accepting funds under this award, you agree to comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a - 10c, popularly known as the "Buy American Act"). You should review the provisions of the Act to ensure that expenditures made under this award are in accordance with it.

Intellectual Property Provisions (NRD-1003)
Non-Research and Development

Nonprofit organizations are subject to the intellectual property requirements at 10 CFR 600.136(a), (c) and (d). All other organizations are subject to the intellectual property requirements at 10 CFR 600.136(a) and (c).

600.136 Intangible property.

(a) Recipients may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under an award. DOE reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish or otherwise use the work for Federal purposes, and to authorize others to do so.

(c) DOE has the right to:

(1) Obtain, reproduce, publish or otherwise use the data first produced under an award; and

(2) Authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

(d)(1) In addition, in response to a Freedom of Information act (FOIA) request for research data relating to published research findings produced under an award that were used by the Federal Government in developing an agency action that has the force and effect of law, the DOE shall request, and the recipient shall provide, within a reasonable time, the research data so that they can be made available to the public through the procedures established under the FOIA. If the DOE obtains the research data solely in response to a FOIA request, the agency may charge the requester a reasonable fee equaling the full incremental cost of obtaining the research data. This fee should reflect the costs incurred by the agency, the recipient, and applicable subrecipients. This fee is in addition to any fees the agency may assess under the FOIA (5 U.S.C. 552(a)(4)(A)).

U.S. Department of Energy

Federal Assistance Budget Information

OMB Control No.

1910-0400

OMB Burden Disclosure Statement

Public reporting burden for this collection of information is estimated to average 1.87 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Office of Information Resources Management Policy, Plans and Oversight, Records Management Division, HR-422 - GTN, Paperwork Reduction Project (1910-0400), U.S. Department of Energy, 1000 Independence Avenue, S.W., Washington, DC 20585; and to the Office of Management and Budget (OMB), Paperwork Reduction Project (1910-0400), Washington, DC 20503.

1. Program/Project Identification No. Amendment number:	R330014 A000	2. Program/Project Title Energy Efficiency and Renewable Energy Activities - National Propane Grant Program
3. Name and Address	Maryland, State of 1623 Forest Drive Annapolis MD 21403-	4. Program/Project Start Date 09/23/2005
		5. Completion Date 09/30/2006

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. DOE	81.117	\$ 0.00		\$ 100,000.00		\$ 100,000.00
2. GRANTEE			\$ 0.00		\$ 0.00	\$ 0.00
3. OTHER			\$ 0.00		\$ 100,000.00	\$ 100,000.00
4.						
5. TOTALS		\$ 0.00	\$ 0.00	\$ 100,000.00	\$ 100,000.00	\$ 200,000.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) DOE	(2)	(3)	(4)	
a. Personnel	\$ 0.00				\$ 0.00
b. Fringe Benefits	\$ 0.00				\$ 0.00
c. Travel	\$ 0.00				\$ 0.00
d. Equipment	\$ 0.00				\$ 0.00
e. Supplies	\$ 0.00				\$ 0.00
f. Contractual	\$ 200,000.00				\$ 200,000.00
g. Construction	\$ 0.00				\$ 0.00
h. Other	\$ 0.00				\$ 0.00
i. Total Direct Charges	\$ 200,000.00				\$ 200,000.00
j. Indirect Charges	\$ 0.00				\$ 0.00
k. Totals	\$ 200,000.00				\$ 200,000.00
7. Program Income	\$ 0.00				\$ 0.00

ATTACHMENT 3

**U.S. Department of Energy
FEDERAL ASSISTANCE REPORTING CHECKLIST
AND INSTRUCTIONS**

1. Identification Number: DE-FC43-05R330014, A000		2. Program/Project Title: National Propane Grant Opportunity	
3. Recipient: Maryland Energy Administration			
4. Reporting Requirements:	Frequency	No. of Copies	Addressees
MANAGEMENT REPORTING			
<input checked="" type="checkbox"/> Progress Report	Q, F	1	A
<input checked="" type="checkbox"/> Special Status Report	A	1	A
SCIENTIFIC/TECHNICAL REPORTING			
(Reports/Products must be submitted with appropriate DOE F 241. The 241 forms are available at www.osti.gov/etlink)			
<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Final Scientific/Technical Report <input type="checkbox"/> Conference papers/proceedings* <input type="checkbox"/> Software/Manual <input type="checkbox"/> Other (see Special Instructions) <i>* Scientific and technical conferences only</i> </div> <div> Form DOE F 241.3 DOE F 241.3 DOE F 241.4 DOE F 241.3 </div> </div>			
FINANCIAL REPORTING			
<input checked="" type="checkbox"/> SF-269, Financial Status Report	Q, F	1	A
<input type="checkbox"/> SF-269A, Financial Status Report (Short Form)			
<input type="checkbox"/> SF-272, Federal Cash Transactions Report			
CLOSEOUT REPORTING			
<input type="checkbox"/> Patent Certification			
<input type="checkbox"/> Property Certification			
<input type="checkbox"/> Other (see Special Instructions)			
OTHER REPORTING			
<input checked="" type="checkbox"/> Other (see Special Instructions)	A		See Special Instructions
FREQUENCY CODES AND DUE DATES: <div style="display: flex; justify-content: space-between;"> <div> A - Within 5 calendar days after events or as specified. F - Final; 90 calendar days after expiration or termination of the award. Y - Yearly; 90 days after the end of the reporting period. </div> <div> S - Semiannually; within 30 days after end of reporting period. Q - Quarterly; within 30 days after end of the reporting period. </div> </div>			
5. Special Instructions: The forms identified in the checklist are available at http://www.eere.energy.gov/golden/funding_post_award.html . OTHER REPORTING (Submit the following reports, in the frequency specified below): When the DOE is the Cognizant Agency and the Golden Field Office is the Cognizant DOE Office, recipients must submit an annual indirect rate proposal to the DOE Award Administrator identified in Block 12 of the Notice of Financial Assistance Award, within six months after the close of each fiscal year (see the Annual Indirect Cost Proposal and Reconciliation Provision in the Special Terms and Conditions to the award). A. Patricia M. Passarella U.S. Department of Energy Mid-Atlantic Regional Office 100 Penn Square East, Suite 890 Philadelphia, PA 19107-3396			

ATTACHMENT 4

Federal Assistance Reporting Instructions (12/04)

I. MANAGEMENT REPORTING

Progress Report

The Progress Report must provide a concise narrative assessment of the status of work and include the following information and any other information identified under Special Instructions on the Federal Assistance Reporting Checklist:

1. The DOE award number and name of the recipient.
2. The project title and name of the project director/principal investigator.
3. Date of report and period covered by the report.
4. A comparison of the actual accomplishments with the goals and objectives established for the period and reasons why the established goals were not met.
5. A discussion of what was accomplished under these goals during this reporting period, including major activities, significant results, major findings or conclusions, key outcomes or other achievements. This section should not contain any proprietary data or other information not subject to public release. If such information is important to reporting progress, do not include the information, but include a note in the report advising the reader to contact the Principal Investigator or the Project Director for further information.
6. Cost Status. Show approved budget by budget period and actual costs incurred. If cost sharing is required break out by DOE share, recipient share, and total costs.
7. Schedule Status. List milestones; anticipated completion dates and actual completion dates. If you submitted a project management plan with your application, you must use this plan to report schedule and budget variance. You may use your own project management system to provide this information.
8. Any changes in approach or aims and reasons for change. Remember significant changes to the objectives and scope require prior approval by the contracting officer.
9. Actual or anticipated problems or delays and actions taken or planned to resolve them.
10. Any absence or changes of key personnel or changes in consortium/teaming arrangement.
11. A description of any product produced or technology transfer activities accomplished during this reporting period, such as:
 - A. Publications (list journal name, volume, issue); conference papers; or other public releases of results. Attach or send copies of public releases to the DOE Project Officer identified in Block 11 of the Notice of Financial Assistance Award.
 - B. Web site or other Internet sites that reflect the results of this project.
 - C. Networks or collaborations fostered.

- D. Technologies/Techniques.
- E. Inventions/Patent Applications.
- F. Other products, such as data or databases, physical collections, audio or video, software or netware, models, educational aid or curricula, instruments or equipment.

Special Status Report

The recipient must report the following events as soon as possible after they occur. Submit reports by e-mail to the DOE Project Officer identified in Block 11 of the Notice of Financial Assistance Award (NFAA):

1. Developments that have a significant favorable impact on the project.
2. Problems, delays, or adverse conditions which materially impair the recipient's ability to meet the objectives of the award or which may require DOE to respond to questions relating to such events from the public. For example, the recipient must report any of the following incidents and include the anticipated impact and remedial action to be taken to correct or resolve the problem/condition:
 - a. Any single fatality or injuries requiring hospitalization of five or more individuals.
 - b. Any significant environmental permit violation.
 - c. Any verbal or written Notice of Violation of any Environmental, Safety, and Health statutes or regulations.
 - d. Any incident which causes a significant process or hazard control system failure.
 - e. Any event which is anticipated to cause a significant schedule slippage or cost increase.
 - f. Any damage to Government-owned equipment valued in excess of \$50,000.
 - g. Any other incident that has the potential for high visibility in the media.

II. SCIENTIFIC/TECHNICAL REPORTS

Final Scientific/Technical Report

Content. The final scientific/technical report must include the following information and any other information identified under Special Instructions on the Federal Assistance Reporting Checklist:

1. Identify the DOE award number; name of recipient; project title; name of project director/principal investigator; and consortium/teaming members.

2. Display prominently on the cover of the report any authorized distribution limitation notices, such as patentable material or protected data. Reports delivered without such notices may be deemed to have been furnished with unlimited rights, and the Government assumes no liability for the disclosure, use or reproduction of such reports.
3. Provide an executive summary, which includes a discussion of 1) how the research adds to the understanding of the area investigated; 2) the technical effectiveness and economic feasibility of the methods or techniques investigated or demonstrated; or 3) how the project is otherwise of benefit to the public. The discussion should be a minimum of one paragraph and written in terms understandable by an educated layman.
4. Provide a comparison of the actual accomplishments with the goals and objectives of the project.
5. Summarize project activities for the entire period of funding, including original hypotheses, approaches used, problems encountered and departure from planned methodology, and an assessment of their impact on the project results. Include, if applicable, facts, figures, analyses, and assumptions used during the life of the project to support the conclusions.
6. Identify products developed under the award and technology transfer activities, such as:
 - a. Publications (list journal name, volume, issue), conference papers, or other public releases of results. If not provided previously, attach or send copies of any public releases to the DOE Project Officer identified in Block 11 of the Notice of Financial Assistance Award;
 - b. Web site or other Internet sites that reflect the results of this project;
 - c. Networks or collaborations fostered;
 - d. Technologies/Techniques;
 - e. Inventions/Patent Applications, licensing agreements; and
 - f. Other products, such as data or databases, physical collections, audio or video, software or netware, models, educational aid or curricula, instruments or equipment.
7. For projects involving computer modeling, provide the following information with the final report:
 - a. Model description, key assumptions, version, source and intended use;
 - b. Performance criteria for the model related to the intended use;
 - c. Test results to demonstrate the model performance criteria were met (e.g., code verification/validation, sensitivity analyses, history matching with lab or field data, as appropriate);
 - d. Theory behind the model, expressed in non-mathematical terms;
 - e. Mathematics to be used, including formulas and calculation methods;

- f. Whether or not the theory and mathematical algorithms were peer reviewed, and, if so, include a summary of theoretical strengths and weaknesses;
- g. Hardware requirements; and
- h. Documentation (e.g., users guide, model code).

Electronic Submission. The final scientific/technical report must be submitted electronically via the DOE Energy Link System (E-Link) at <http://www.osti.gov/mlink-2413>

Electronic Format. Reports must be submitted in the ADOBE PORTABLE DOCUMENT FORMAT (PDF) and be one integrated PDF file that contains all text, tables, diagrams, photographs, schematic, graphs, and charts. Materials, such as prints, videos, and books, that are essential to the report but cannot be submitted electronically, should be sent to the DOE Award Administrator at the address listed in Block 12 of the Notice of Financial Assistance Award.

Submittal Form. The report must be accompanied by a completed electronic version of DOE Form 241.3, "U.S. Department of Energy (DOE), Announcement of Scientific and Technical Information (STI)." You can complete, upload, and submit the DOE F241.3 online via E-Link. You are encouraged not to submit patentable material or protected data in these reports, but if there is such material or data in the report, you must: (1) clearly identify patentable or protected data on each page of the report; (2) identify such material on the cover of the report; and (3) mark the appropriate block in Section K of the DOE F 241.3. Reports must not contain any limited rights data (proprietary data), classified information, information subject to export control classification, or other information not subject to release. Protected data is specific technical data, first produced in the performance of the award that is protected from public release for a period of time by the terms of the award agreement.

Conference Papers/Proceedings

Content. The recipient must submit a copy of any conference papers/proceedings, with the following information: (1) Name of conference; (2) Location of conference; (3) Date of conference; and (4) Conference sponsor.

Electronic Submission. Scientific/technical conference paper/proceedings must be submitted electronically via the DOE Energy Link System (E-Link) at <http://www.osti.gov/mlink-2413>. Non-scientific/technical conference papers/proceedings must be sent to the URL listed on the Reporting Checklist.

Electronic Format. Conference papers/proceedings must be submitted in the ADOBE PORTABLE DOCUMENT FORMAT (PDF) and be one integrated PDF file that contains all text, tables, diagrams, photographs, schematic, graphs, and charts. If the proceedings cannot be submitted electronically, they should be sent to the DOE Award Administrator at the address listed in Block 12 of the Notice of Financial Assistance Award.

Submittal Form. Scientific/technical conference papers/proceedings must be accompanied by a completed DOE Form 241.3. The form and instructions are available on E-Link at <http://www.osti.gov/mlink-2413>. This form is not required for non-scientific or non-technical conference papers or proceedings.

Software/Manual

Content. Unless otherwise specified in the award, the following must be delivered: source code, the executable object code and the minimum support documentation needed by a competent user to understand and use the software and to be able to modify the software in subsequent development efforts.

Submission. Software/manual submissions must be sent to the DOE Award Administrator identified in Block 12 of the Notice of Financial Assistance Award. The submission must be sent on a CD-ROM, 3.5 "floppy disk", or zip disk.

Submittal Form. Each software deliverable and its manual must be accompanied by a completed DOE Form 241.4 "Announcement of U.S. Department of Energy Computer Software." The form and instructions are available on E-Link at <http://www.osti.gov/estsc/doef2414.pdf>.

III. FINANCIAL REPORTING

Recipients must complete the financial reports identified on the Reporting Checklist in accordance with the report instructions. These standard forms are available at <http://www.whitehouse.gov/omb/grants/index.html>. Fillable forms are available at <http://grants.pr.doe.gov>.

IV. CLOSEOUT REPORTS

Final Invention and Patent Report

The recipient must provide a DOE Form 2050.11, "PATENT CERTIFICATION." This form is available at <http://www.directives.doe.gov/pdfs/forms/2050-11.pdf> and <http://grants.pr.doe.gov>.

Property Certification

The recipient must provide the Property Certification, including the required inventories of non-exempt property, located at <http://grants.pr.doe.gov>.

STATEMENT OF OBJECTIVES

MARYLAND OMNIBUS/COOPERATIVE AGREEMENT NATIONAL PROPANE FUNDING OPPORTUNITY

DE-FC43-05R330014

The U.S. Department of Energy, Mid-Atlantic Regional Office will work with the Maryland Energy Administration (MEA) to administer a grant funding opportunity to fund projects that will demonstrate and document various ways to successfully implement propane powered vehicle projects that increase the number of propane gallons sold, to reduce our country's dependence on foreign oil.

A funding announcement will be issued for projects in the following categories;

1. Projects that cover the cost differential between current fuel and propane.
2. Applicants may seek funds to purchase new or to retrofit equipment for the distribution of propane.
3. Projects that utilize propane systems technologies for on-road and off road vehicles.
4. Projects that specifically target airport service vehicles operating on the air side.
5. Projects that utilize new technologies with propane to decrease vehicle idling time.

ATTACHMENT 5